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GENERAL

1. French and Egyptian views on Far East situation--The US delegation at the UN, in transmitting accounts of recent conversations with French and Egyptian delegates, indicates that the French representative took a very gloomy view of the situation in the Far East, particularly Indochina. He does not see how Indochina could be held very long against Chinese Communist manpower and material resources if the Chinese decided to give full-scale support to the Viet Minh. He feels quite certain that if Indochina falls, the rest of Southeast Asia would fall very quickly to the Communists and in turn India would not be far behind. The US delegation comments that it might be fair to draw the inference from all the French representative's remarks that the US should in effect beat a strategic retreat from Korea in order to give fuller support to Indochinese resistance to Communist aggression and to husband US resources for defense in other areas.

The Egyptian representative told the US delegation that the UN is not psychologically or physically prepared for the step of naming the Chinese Communists aggressors. Laying particular stress on the unpreparedness of Asian countries in these respects, he urged in the interests of preserving the unity of the UN that the US play for time, even if only for six weeks or six months. He said, however, that if the Chinese Communists cross the 38th Parallel it would probably be undoubtedly necessary to name them as aggressors.

EUROPE

2. FRANCE: Communist campaign against German rearmament—According to US Embassy Paris, the French Communist Party is now giving "virtually undivided attention" to a propaganda

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campaign against German rearmament, with the aim of spreading disunity and paralyzing or retarding Western defense and simultaneously reinforcing the world "peace front." The Embassy reports that the French Communists have initiated a nationwide door-to-door canvass (modeled on that of the Stockholm Appeal) to collect signed "ballots" in a national "vote" against German rearmament. The Embassy expects this campaign to develop with mounting intensity and much variety during the next few months.

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3. NETHERLANDS: <u>Dutch-Indonesian views on New Guinea--</u>
US Embassy The Hague reports that the Netherlands Socialist
Party is badly split over the question of whether to transfer
sovereignty over Netherlands New Guinea to Indonesia. According to the Embassy, the conciliatory elements in the party were
responsible for the final Netherlands counter-proposals, which
envisaged either the transfer of sovereignty to the NetherlandsIndonesian Union or mediation through an ad hoc committee
or the UN Commission for Indonesia.

Meanwhile, Indonesian delegate Rum has told the Embassy that there can be no discussion of details of the tranfer of sovereignty until agreement has been reached that the transfer will be made. Rum says he has been advised by friendly Netherlands political leaders to await the political repercussions of the failure of the Hague meetings, and Rum believes that some weeks of inaction on the part of the Indonesians are strategically desirable. Although he considered it necessary to emphasize that the conference was ended, and not merely adjourned, Rum concedes that the time may come when the Indonesians must recognize the need for a conciliatory attitude and even for a compromise verbal formula in order to reach a solution.

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FAR EAST

- 4. INDOCHINA: French believe expected offensive has begun-According to US Consul General Blancke in Hanoi, the French military command regards the activities of the past few days north of Hanoi as the start of the Viet Minh offensive. The French are depending on mobile reserves as planned and feel they can hold unless the Chinese Communists intervene.

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5. BURMA: Government would resist Chinese Communist attack-US Ambassador Key in Rangoon reports that the Burmese Foreign
Minister, in reply to the point-blank question as to whether Burma
would fight if attacked by the Chinese Communists, stated that as
long as the present Burmese Government is in power, Burma
will fight. Key comments that this statement is in line with the
decisions reportedly taken during the emergency conference
held in Mandalay early in December.

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